



December 2021

Dear Member

Please find attached communication in relation to the 'unapproved' benefits provided by Old Mutual (i.e. the Disability Income and Family Cover benefit for all members and the Voluntary Top-up Life Cover and Voluntary Spouses' Cover for members who have selected the benefit), underwritten by Old Mutual Alternative Risk Transfer Limited "OMART". Premiums are reviewed on 01 January each year. **An 'unapproved' benefit means that premiums towards these benefits are not tax deductible, but the benefits are payable as a tax-free income in the event of a claim.**

Following the current review, effective 01 January 2022, the deductions in respect of Life Cover (GLA), Admin & Governance Costs, Disability Income Cover (PHI) and Family Cover, are shown below:

	Office Staff (TGP employees)		Office Staff (TGP employees)	
	(% of TGP)		(% of TGP)	
	Core Cover	Full Cover	Core Cover	Full Cover
	Pre 01 January 2022		Post 01 January 2022	
Employer Contribution	3.50%	3.50%	3.50%	3.50%
LESS:				
GLA (Life Cover) premium*	1.347%	1.786%	1.347%	1.786%
PHI (Disability Income) premium	0.684%	0.684%	0.941%	0.941%
Family Cover premium	0.030%	0.030%	0.033%	0.033%
Admin and Governance cost	0.124%	0.124%	0.124%	0.124%
TOTAL DEDUCTIONS:	2.185%	2.624%	2.445%	2.884%
Net allocation towards retirement saving from Employer contribution	1.315%	0.876%	1.055%	0.616%
PLUS Member Contribution	9.5% to 24.0%	9.5% to 24.0%	9.5% to 24.0%	9.5% to 24.0%

	Field Staff (Sale Staff)		Field Staff (Sale Staff)	
	(% of Pensionable Earnings)		(% of Pensionable Earnings)	
	Core Cover	Full Cover	Core Cover	Full Cover
	Pre 01 January 2022		Post 01 January 2022	
Employer Contribution	12.00%	12.00%	12.00%	12.00%
LESS:				
GLA (Life Cover) premium*	1.347%	1.786%	1.347%	1.786%
PHI (Disability Income) premium	0.684%	0.684%	0.941%	0.941%
Family Cover premium	0.030%	0.030%	0.033%	0.033%
Admin and Governance cost	0.124%	0.124%	0.124%	0.124%
TOTAL DEDUCTIONS:	2.185%	2.624%	2.445%	2.884%
Net allocation towards retirement saving from Employer contribution	9.815%	9.376%	9.555%	9.116%
PLUS Member Contribution	9.5% to 24.0%	9.5% to 24.0%	6.5% to 15.5%	6.5% to 15.5%

* The 'approved' or Fund-provided benefits (Core/Full Cover) were reviewed with effect from 1 August 2021. Please refer to the [OMEGS website](#) for details of the Core/Full Cover multiples and process for increasing your level of cover by completing [medical testing if you are on Core Cover](#) or [if you would like to find out more about the unapproved voluntary top-up cover](#).

Note that the increase in the cost of the Disability Income benefit with effect from 01 January 2022 reflects not only a deterioration in the 'claims experience' for the period i.e. benefits paid out in the past to the premiums received over the same period, but also that this benefit has historically been subsidised. The subsidy was funded from a surplus that had built up in the past. The surplus funding the subsidy has been declining and will be depleted by the end of 2021. From 2022 there will no longer be a subsidy applicable to this rate.

Higher claims have also been experienced under the voluntary arrangements. Note that premiums for the Voluntary Top-up and Voluntary Spouses' Cover are age and gender based. Premium increases for the 2022 policy year on the Voluntary Top-up Cover arrangement have ranged from 18.8% to 19.2%, and on the Voluntary Spouses' arrangement from 27.6% to 28.4%. These increases reflect the higher expected cost of providing the benefits until the next review, based on a forward-looking expectation of future COVID-19 impact and in relation to the voluntary top-up cover, allows for compulsory vaccinations from the 5th wave.

While the personal grief experienced by members during this period on account of COVID-19 cannot be compensated, the benefit structure as a whole has continued to offer value in protecting the income of members who are no longer able to work as a result of a disability, and in supporting dependents left behind. As we navigate the impact of the 4th wave, we extend our condolences to the families affected. Old Mutual and the OMEGS Management Committee will continue to review the benefit structure to ensure it remains competitive and meets the needs of our employees.

Beneficiary nomination – complete or update your details today!

Nominating your beneficiaries and ensuring that these details are **kept up to date** is a crucial part of your retirement journey so that your loved ones do not experience any delays in the claim payment process.

For Core Cover or Full Cover, you need to complete the beneficiary nomination process via Secure Services, because this is a benefit provided via OMEGS. This nomination informs the Trustees of your wishes, which they will take into consideration after you pass when they determine how your benefit will be distributed.

- Log onto [Secure Services](#) today and follow the easy steps.
- Click here if you have forgotten your [username](#) or [password](#).
- Contact the Self Service Helpdesk on 0860 60 65 000 for any assistance.

If you have selected the Voluntary Top-Up Life Cover previously, you need to provide the details of your nominated beneficiaries to the Human Capital team via Workday. This needs to be completed as a separate process on the 'Benefits' tab on Workday, as this cover is not provided via OMEGS.

Please note that if you don't nominate beneficiaries, the Voluntary Top-up claim will be paid directly to your Estate. This can create distress for your beneficiaries as the process of winding up an Estate is lengthy and expensive and the value of the benefit may be reduced or totally eroded, depending on the level of debt within the Estate. This benefit will be distributed in terms of your latest valid Will or in an intestate manner, in the absence of a Will. This may lead to an unfortunate distribution of the benefit in the event of a Will being outdated, e.g. if an ex-spouse is still included in an outdated Will.

Members who are on Full Cover (and are changing age bands) will receive a notification on Workday to elect to Top-up Cover by the multiple being dropped in January 2022 – this period will run from 01 January 2022 to 31 January 2022.

If you have any queries, please contact the Human Capital Service Centre Support Team on HCSCP@oldmutual.com

Stay safe and healthy!